



General Assembly

January Session, 2011

Raised Bill No. 6511

LCO No. 3880

03880_____INS

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

***AN ACT CONCERNING SMALL GROUP HEALTH INSURANCE RATE
REVIEWS.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Subsection (a) of section 38a-513 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2011*):

4 (a) (1) No group health insurance policy, as defined by the
5 commissioner, or certificate shall be issued or delivered in this state
6 unless a copy of the form for such policy or certificate has been
7 submitted to and approved by the commissioner under the regulations
8 adopted pursuant to this section, and on and after January 1, 2012, no
9 group health insurance policy or certificate for a small employer, as
10 defined in section 38a-564, shall be issued or delivered in this state
11 unless the classification of risks and the premium rates for such policy
12 have been filed with and approved by the commissioner. The
13 commissioner shall adopt regulations, in accordance with chapter 54,
14 concerning the provisions, submission and approval of such policies
15 and certificates and establishing a procedure for reviewing such
16 policies and certificates. If the commissioner issues an order

17 disapproving the use of such form, the provisions of section 38a-19
18 shall apply to such order.

19 (2) No rate filed under the provisions of subdivision (1) of this
20 subsection shall be effective unless approved by the commissioner. The
21 commissioner shall adopt regulations, in accordance with chapter 54,
22 to prescribe standards to ensure that such rates shall not be excessive,
23 inadequate or unfairly discriminatory. The commissioner may
24 disapprove such rate within thirty days after it has been filed if it fails
25 to comply with such standards.

26 Sec. 2. Subsections (a) and (b) of section 38a-568 of the general
27 statutes are repealed and the following is substituted in lieu thereof
28 (*Effective October 1, 2011*):

29 (a) (1) Subject to approval by the commissioner, the board shall
30 establish the form and level of coverages to be made available by small
31 employer carriers in accordance with the provisions of subsection (b)
32 of this section. Such coverages, which shall be designated as small
33 employer health care plans, shall be limited to: (A) A basic hospital
34 plan, (B) a basic surgical plan, (C) major medical plans which can be
35 written in conjunction with basic hospital plans or basic surgical plans,
36 (D) comprehensive plans, and (E) plans with benefit and cost-sharing
37 levels which are consistent with the basic method of operation and the
38 benefit plans of health care centers, including any restrictions imposed
39 by federal law. The board shall submit such plans to the commissioner
40 for the commissioner's approval not later than ninety days after the
41 appointment of the board pursuant to section 38a-569. The board shall
42 take into consideration the levels of health insurance provided in
43 Connecticut and such medical and economic factors as may be deemed
44 appropriate and shall establish benefit levels, deductibles, coinsurance
45 factors, exclusions and limitations determined to be generally
46 reflective of health insurance provided to small employers. Such plans
47 may include cost containment features including, but not limited to: (i)
48 Preferred provider provisions; (ii) utilization review of health care

49 services, including review of medical necessity of hospital and
 50 physician services; (iii) case management benefit alternatives; and (iv)
 51 other managed care provisions.

52 (2) After the commissioner's approval of the form and level of
 53 coverages of small employer health care plans submitted by the board
 54 pursuant to subdivision (1) of this subsection, and in lieu of the
 55 procedure for the submission and approval of policies and certificates
 56 established by section 38a-513, as amended by this act, any small
 57 employer carrier may certify to the commissioner, in the form and
 58 manner prescribed by the commissioner, that the small employer
 59 health care plans filed by the carrier are in substantial compliance with
 60 the provisions in the corresponding approved board plan. Upon
 61 receipt by the department of such certification, the carrier may use
 62 such certified plans until such time as the commissioner, after notice
 63 and hearing, disapproves their continued use.

64 (b) Not later than ninety days after the commissioner's approval of
 65 the form and level of coverages of small employer health care plans
 66 submitted by the board, each small employer carrier, including, but
 67 not limited to, each health care center, shall, as a condition of
 68 transacting such insurance in this state, offer those small employer
 69 health care plans that correspond to the insurance products being
 70 currently offered by the carrier to small employers. Each small
 71 employer that elects to be covered under such plan and agrees to make
 72 the required premium payments and to satisfy the other provisions of
 73 the plan shall be issued such a plan by the small employer carrier.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2011</i>	38a-513(a)
Sec. 2	<i>October 1, 2011</i>	38a-568(a) and (b)

Statement of Purpose:

To require insurers writing small group health insurance policies in the state to file premium rates with, and obtain approval from, the Insurance Department prior to such rates becoming effective.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]